In the Specification

Please amend the specification of this application as follows:

Rewrite the paragraph at page X, lines Y to Z as follows:

Rewrite the paragraph at page 3 lines 20 to 26 as follows:

--The invention enables local secure distribution by permitting any authorized user of musical data to replicate the data for distribution. Three types of parties are recognized: -unauthorized users, authorized users, and trusted agents. According to the invention an authorized user (the sender) transmits the data to a new user (the receiver). The invention has the novel aspect that no trusted agent is required to mediate the data transfer. A trusted agent is ultimately required to authorize the receiver's use of the data, however this negotiation may occur before or after the transfer of data, and need not involve the sender. Many different sources might be available for local distribution of the encrypted musical data, including but not limited to a friend's jukebox, a radio broadcast, a ~~mail~~ mall kiosk, or a local area network server.--

Rewrite the paragraph at page 4, lines 22 to 27 as follows:

--This scenario might be realized in one way as follows. Alice gives Bob copies of music that he might like, by connecting his portable music player to her music collection. However even though Bob now possesses the musical data he is unable to listen to it until he has paid for it, or can listen to it only with reduced audio quality. Using his cellular telephone his portable-player contacts a trusted agent to arranges payment, at which time he has ~~fully~~ full access to the music.--

Rewrite the paragraph at page 5, lines 18 to 22 as follows:

--This scenario might be realized in the following way. Bob joins a musical subscription service, which emails him each month tickets for 50 new songs. The tickets authorize him to obtain those songs by ~~an~~ any means that present itself, whether by downloading them using his computer, or by copying them from a friend or a kiosk in a ~~mail~~ mall.--

Rewrite the paragraph at page 6, lines 6 to 11 as follows:

--In the pre-authorization scenario the ticket is valuable. An attacker may attempt to obtain the ticket from a receiver by masquerading as a sender in the transaction. To maintain secrecy of the ticket it may be inspected using a zero-knowledge proof, whereby during the inspection neither sender nor receiver can discover anything about the ticket that they don't already know. ~~zero-knowledge~~ Zero-knowledge proofs are well known to practitioners in the art.--

Rewrite the paragraph at page 6, lines 19 to 27 as follows:

--Copy restrictions placed on digital music may represent a barrier to the development of the Internet audio market, since consumers resist technologies that revoke freedoms that they previously enjoyed. Accordingly, the amount of freedom granted to the consumer will be a factor in selecting between the various digital rights management solutions competing in the marketplace. The invention promotes a relatively non-intrusive distribution model whereby musical data may be exchanged securely between peer consumers without the immediate oversight of a trusted agent. This can significantly enhance ease of use since it permits distribution methods and ~~bypass~~ bypasses the wide-area communications bandwidth bottleneck.--